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Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir.

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Date 2/27/02 Exemption ___

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TO SECSTATE WASHDC IMMEDIATE 4202

INFO SECDEF WASHDC IMMEDIATE

AMEMBASSY GUATEMALA

AMEMBASSY LISBON

AMEMBASSY MANAGUA

AMEMBASSY PRETORIA

AMCONSUL CALGARY

AMCONSUL HALIFAX

AMCONSUL MONTREAL

AMCONSUL QUEBEC

AMCONSUL TORONTO

AMCONSUL VANCOUVER

UNCLAS SECTION 01 OF 02 OTTAWA 01246

E.O. 12356: N/A

TAGS: PGOV, PREL, ETTC, CA, GT, NU, PO, SF

SUBJECT: COMMONS QUESTION PERIOD, FEBRUARY 12: AID TO

CONTRAS, SOUTH AFRICAN SANCTIONS

THE FOLLOWING IS AN EDITED TRANSCRIPT OF TOPICS OF INTEREST TO WASHINGTON AGENCIES THAT WERE RAISED FEBRUARY 12 IN HOUSE OF COMMONS QUESTION PERIOD.

AID TO NICARAGUAN CONTRAS

PARTICIPANTS:

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PAULINE JEWETT, NEW DEMOCRATIC PARTY EXTERNAL AFFAIRS - CRITIC (BRITISH COLUMBIA)

JOE CLARK, EXTERNAL AFFAIRS SECRETARY OF STATE
IAN WADDELL, NEW DEMOCRATIC PARTY (BRITISH COLUMBIA)

JEWETT: THE MINISTER WILL KNOW THAT THE MONTREAL GAZETTE REVEALED DURING HIS ABSENCE THAT AN AIRLINE COMPANY, PROPAIR, AT THAT TIME PARTIALLY OWNED BY THE GOVERNMENT OF QUEBEC, PLAYED A KEY ROLE LAST YEAR IN A CIA-LINKED PLAN TO SUPPLY ARMS TO THE CONTRAS. WE HAVE SINCE HAD FURTHER EVIDENCE THAT A MONTREAL FIRM, TRANSWORLD ARMS, HAS ALSO BEEN INVOLVED IN THE SALE OF ARMS ULTIMATELY REACHING THE CONTRAS. HAS THE MINISTER NOT

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MADE KNOWN WHAT IS CANADIAN GOVERNMENT POLICY? DON'T BUSINESSES AND PROVINCIAL GOVERNMENTS KNOW WHAT THE GOVERNMENT'S POLICY IS? WHAT IS HE GOING TO DO TO ENSURE THAT THEY UNDERSTAND?

CLARK: THE POLICY OF THIS GOVERNMENT IS VERY CLEAR WITH REGARD TO CENTRAL AMERICA. IF THE ACTIONS ALLEGED OCCURRED, THEY ARE AGAINST THE POLICY OF THIS GOVERNMENT. BOTH ACTIONS ARE BEING INVESTIGATED BY THE ROYAL CANADIAN MOUNTED POLICE (RCMP). WHEN I OR THE SOLICITOR GENERAL HAS INFORMATION TO CONVEY TO THE HOUSE AS A RESULT OF THESE INVESTIGATIONS, THAT INFORMATION WILL BE MADE AVAILABLE IN THE USUAL WAY. I REPEAT. THE ACTIONS TO WHICH REFERENCE HAS BEEN MADE ARE AGAINST THE POLICY OF THE GOC IF THEY OCCURRED. I SHOULD ALSO SAY THAT THE MEMBER FOR VANCOUVER-KINGSWAY (IAN WADDELL) SENT ME A LETTER THIS MORNING WHICH SUGGESTED THAT THE GOVERNMENT HAD SOME KNOWLEDGE OF THOSE TRANSACTIONS. THAT INSINUATION IS FALSE.

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JEWETT: THE MINISTER SAID HIMSELF IN RESPONSE TO THE SPECIAL JOINT COMMITTEE RECOMMENDATION NUMBER 17 THAT "THE GOVERNMENT HAS THE GLOBAL ARMS TRADE UNDER CONSTANT SCRUTINY." WHY DOESN'T THE GOVERNMENT HAVE THE CANADIAN ARMS TRADE UNDER CONSTANT SCRUTINY AND WILL HE PROVIDE A FULL PUBLIC INVESTIGATION OF THIS TRADE?

CLARK: WE HAVE THE CANADIAN ARMS TRADE NOT ONLY UNDER CONSTANT SCRUTINY BUT ALSO UNDER A MUCH STRICTER REGIME CONCERNING EXPORT-IMPORT CONTROL LEGISLATION THAN WAS THE CASE BEFORE. ON SEVERAL OCCASIONS I HAVE REQUESTED HER PARTY, WHICH HAS COMPLAINED ABOUT THIS MATTER, TO MAKE SPECIFIC RECOMMENDATIONS AS TO WAYS IN WHICH WE MIGHT TIGHTEN THAT REGIME. I HAVE RECEIVED NOTHING BUT SILENCE.

WADDELL: WOULD THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS TELL THE HOUSE WHEN THE CANADIAN GOVERNMENT FOUND OUT THAT A CANADIAN COMPANY, TRANS-WORLD ARMS BASED IN MONTREAL WITH CONNECTIONS IN MIAMI, ACTED AS AN ARMS BROKER IN BUYING ARMS FROM PORTUGAL WHICH WERE SHIPPED UNDER FORGED GUATEMALAN DOCUMENTS TO THE NICARAGUAN CONTRAS?

CLARK: THE RCMP BEGAN AN INVESTIGATION IN JANUARY SHORTLY AFTER THE APPEARANCE OF INFORMATION, ALLEGATIONS, IN A MONTREAL NEWSPAPER. THE MEMBER, WHO HAS CONVEYED SOME INSINUATIONS BY LETTER WHICH ARE FALSE, HAS ALSO CONVEYED SOME INFORMATION WHICH WE HAVE PASSED ON THE RCMP AND WHICH WILL CONSTITUTE A PART OF THEIR INVESTIGATION.

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 4203

INFO SECDEF WASHDC IMMEDIATE

AMEMBASSY GUATEMALA

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AMCONSUL TORONTO

AMCONSUL VANCOUVER

UNCLAS SECTION 02 OF 02 OTTAWA .01246

E.O. 12356: N/A

TAGS: PGOV, PREL, ETTC, CA, GT, NU, PO, SF

SUBJECT: COMMONS QUESTION PERIOD, FEBRUARY 12: AID TO

WADDELL: THE MINISTER WILL FIND IN THE INFORMATION I'VE SENT HIM DOCUMENTS USED BY TRANS-WORLD, THE FORGED DOCUMENTS, THE SAME KIND THAT HAVE ALSO BEEN TRACED TO SANFORD TECHNOLOGIES, THE FIRM OF RICHARD SECORD AND ALBERT HAKIM, WHO WERE INVOLVED WITH LIEUTENANT COLONEL OLIVER NORTH. WE'VE RAISED THE PROPAIR MATTER. NOW, THE TRANS-WORLD MATTER. WOULD THE MINISTER BE PREPARED TO GO TO THE PORTUGUESE AUTHORITIES TO GET THEM TO PROVIDE THE CANADIAN GOVERNMENT ALL THE FILES RELATING UNCLASSIFIED

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TO THE SHIPMENT OF ARMS THROUGH TRANS-WORLD ARMS, ALLEGEDLY TO GUATEMALA BUT REALLY TO THE CONTRAS?

CLARK: ANY CANADIAN COMPANIES SHIPPING ARMS TO THOSE DESTINATIONS DOES SO CONTRARY TO THE POLICY OF CANADA. WHETHER OR NOT THEY DO SO CONTRARY TO THE LAW OF CANADA IS A MATTER THAT WILL BE DETERMINED BY AN RCMP INVESTIGATION. THERE IS NOW AN ACTIVE RCMP INVESTIGATION. IF IT IS CONSISTENT WITH THAT INVESTIGATION FOR ME TO MAKE THE KINDS OF INQUIRIES THAT HAVE BEEN REQUESTED BY THE MEMBER FOR VANCOUVER-KINGSWAY, THEN I SHALL.

SANCTIONS AGAINST SOUTH AFRICA

PARTICIPANTS:

HOWARD MCCURDY, NEW DEMOCRATIC PARTY (ONTARIO)
JOE CLARK, EXTERNAL AFFAIRS SECRETARY OF STATE

MCCURDY: WHAT WILL BE THE GOVERNMENT'S RESPONSE TO THE REAPPEARANCE OF NEWSPAPER ADVERTISEMENTS, SO STRONGLY REACTED TO BY THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS BEFORE WHEN THEY APPEARED, INVITING CANADIANS TO SOUTH AFRICA FOR BRAIN-WASHING SESSIONS IN VIOLATION OF CANADIAN VOLUNTARY SANCTIONS AGAINST TRAVEL TO SOUTH AFRICA?

CLARK: I REGRET THOSE ADVERTISEMENTS. I REGRET THAT SOME NEWSPAPER PUBLISHERS IN THIS COUNTRY ARE PREPARED TO PUT PROFIT AHEAD OF PRINCIPLE. THEY ARE NONETHELESS WITHIN THE LAW OF CANADA AND WE DO NOT INTEND TO CHANGE THE LAW IN THAT REGARD. UNCLASSIFIED

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MCCURDY: WOULD THE SECRETARY OF STATE NOT AGREE THAT IT IS TIME TO IMPOSE MANDATORY SANCTIONS, ESPECIALLY WHEN SITUATIONS AS HAVE OCCURRED IN JANUARY OCCUR, WHERE CANADIAN PACIFIC RAIL AND CANADIAN NATIONAL RAIL RECEIVE 77,000 POUNDS OF METAL STEEL CASTINGS FROM SOUTH AFRICA, WHICH IS NOT ONLY A PURCHASE WHICH INDIRECTLY SUPPORTS APARTHEID BUT EXTRACTS STEELWORKER JOBS IN THIS COUNTRY. ARE WE GOING TO SACRIFICE CANADIAN JOBS IN SUPPORT OF APARTHEID OR ARE WE GOING TO IMPOSE MANDATORY SANCTIONS SO THAT THIS SORT OF THING WON'T OCCUR?

CLARK: WE HAVE SANCTIONS WITH RESPECT TO STEEL. I WANT TO EXPRESS MY APPRECIATION AND THAT OF THE PRIME MINISTER TO THE PRESIDENT OF THE BROTHERHOOD OF RAILWAY TRANSPORT WORKERS, WHO HAS DRAWN TO OUR ATTENTION THE

FACT THAT THE REGULATIONS NOW IN PLACE DO NOT DEAL WITH THE IMPORT OF CASTINGS. THAT IS A LOOP-HOLE IN THE LAW. WE'RE GOING TO CHANGE IT.

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*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED